

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2012

(Dollars in Thousands)

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
Primary Government:								
Governmental Activities:								
General government.....	\$ 937,353	\$ 218,011	\$ 26,445	\$ 12,415	\$ (680,482)			
Primary and secondary education.....	9,760,909	26,249	1,762,208	—	(7,972,452)			
Higher education.....	4,238,695	68,846	36,614	—	(4,133,235)			
Health and human services.....	17,759,093	308,986	12,688,879	—	(4,761,228)			
Economic development.....	667,106	31,085	420,749	77	(215,195)			
Environment and natural resources.....	470,965	134,502	73,937	12,661	(249,865)			
Public safety, corrections, and regulation.....	2,976,448	594,377	253,807	4,365	(2,123,899)			
Transportation.....	2,403,266	685,596	306,613	946,982	(464,075)			
Agriculture.....	188,985	31,076	30,289	1,461	(126,159)			
Interest on long-term debt.....	282,542	—	—	—	(282,542)			
Total Governmental Activities.....	<u>39,685,362</u>	<u>2,098,728</u>	<u>15,599,541</u>	<u>977,961</u>	<u>(21,009,132)</u>			
Business-type Activities:								
Unemployment Compensation.....	3,283,900	1,473,576	1,888,350	—	78,026			
N.C. State Lottery.....	1,141,941	1,601,837	573	—	460,469			
EPA Revolving Loan.....	14,026	23,366	51,171	—	60,511			
N.C. Turnpike Authority.....	17,565	664	14,460	15,272	12,831			
Regulatory programs.....	69,980	70,764	924	—	1,708			
Insurance programs.....	38,701	17,547	9,750	—	(11,404)			
North Carolina State Fair.....	13,030	14,470	585	—	2,025			
Other business-type activities.....	12,084	10,578	217	164	(1,125)			
Total Business-type Activities.....	<u>4,591,227</u>	<u>3,212,802</u>	<u>1,966,030</u>	<u>15,436</u>	<u>603,041</u>			
Total Primary Government.....	<u>\$ 44,276,589</u>	<u>\$ 5,311,530</u>	<u>\$ 17,565,571</u>	<u>\$ 993,397</u>	<u>\$ (20,406,091)</u>			
Component Units:								
The Golden LEAF, Inc.	\$ 35,261	\$ 7	\$ (9,645)	\$ —	\$ (44,899)			
University of North Carolina System.....	9,341,127	5,995,746	1,067,649	351,800	(1,925,932)			
Community Colleges.....	2,155,178	316,624	873,477	247,830	(717,247)			
N.C. Housing Finance Agency.....	377,421	333,472	46,106	—	2,157			
State Education Assistance Authority.....	263,419	75,823	192,599	—	5,003			
State Health Plan.....	2,667,014	2,740,829	102,170	—	175,985			
Other component units.....	338,851	124,159	134,088	7,777	(72,827)			
Total Component Units.....	<u>\$ 15,178,271</u>	<u>\$ 9,586,660</u>	<u>\$ 2,406,444</u>	<u>\$ 607,407</u>	<u>\$ (2,577,760)</u>			

The accompanying Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2012
(Dollars in Thousands)

Exhibit A-2

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in Net Assets:				
Net (expense) revenue	\$ (21,009,132)	\$ 603,041	\$ (20,406,091)	\$ (2,577,760)
General Revenues:				
Taxes:				
Individual income tax.....	10,459,307	—	10,459,307	—
Corporate income tax.....	1,233,989	—	1,233,989	—
Sales and use tax.....	5,530,046	—	5,530,046	—
Gasoline tax.....	1,892,163	—	1,892,163	—
Franchise tax.....	804,973	—	804,973	—
Highway use tax.....	506,211	—	506,211	—
Insurance tax.....	479,755	—	479,755	—
Beverage tax.....	322,190	—	322,190	—
Inheritance tax.....	57,839	—	57,839	—
Tobacco products tax.....	293,597	—	293,597	—
Other taxes.....	294,516	—	294,516	—
Tobacco settlement.....	146,135	—	146,135	—
Unrestricted investment earnings.....	(56,055)	—	(56,055)	—
State aid.....	—	—	—	3,518,299
Miscellaneous.....	41,699	—	41,699	16,434
Contributions to permanent funds.....	3,297	—	3,297	—
Contributions to endowments.....	—	—	—	86,143
Transfers.....	401,740	(401,740)	—	—
Total general revenues, contributions, and transfers.....	22,411,402	(401,740)	22,009,662	3,620,876
Change in net assets.....	1,402,270	201,301	1,603,571	1,043,116
Net assets — July 1, as restated (Note 24).....	34,276,345	(469,585)	33,806,760	19,123,511
Net assets — June 30.....	\$ 35,678,615	\$ (268,284)	\$ 35,410,331	\$ 20,166,627